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World Production and Trade

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

WR 9-85
Feb. 27, 1985

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

GRAIN AND FEED

In the UNITED STATES, corn gluten feed and meal exports for calendar 1984 rose to a record level of just over 3.6 million tons, up slightly from 1983. The European Community (EC) continued to be the primary export destination, accounting for 3.5 million tons or 97 percent of 1984 trade. Japan was a distant second, taking 83,000 tons.

Earlier forecasts from Europe had predicted a drop in EC corn gluten feed imports in 1984 due to higher use of abundant, low-priced EC grain and reduced demand for dairy feed following the imposition of milk quotas. However, U.S. exports to the Community were only off about 50,000 tons from 1983. Price flexibility has enabled corn gluten feed to remain competitive with other medium protein feeds. C.i.f. Rotterdam prices during 1984 ranged from a high of about \$175 per ton in January to a low of \$105 per ton in September.

PHILIPPINE 1984/85 corn production is currently forecast at 3.373 million tons, down 10 percent from the previous USDA estimate and about equal to the previous season, according to the U.S. agricultural counselor in Manila. The downward revision reflects dry weather in northern Luzon, some parts of Visayas and central Mindanao. A less optimistic outlook for the Expanded Yellow Corn Program (EYCP) is also seen due in large part to constraints in crop financing. Escalating fertilizer prices have resulted in a significant drop in fertilizer usage.

Total rice production in INDIA for 1984/85 is estimated at 59.5 million tons, milled basis, slightly under last year's record crop, according to the U.S agricultural counselor in New Delhi. The effects of drought are considered to be minimal. The estimate represents 54.5 million tons of kharif rice and 5 million tons of summer rice.

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OILSEEDS AND PRODUCTS

YUGOSLAVIA has increased the amount of foreign exchange it will allocate for imports of oilseeds and vegetable oils in 1985 to \$60 million. The increase reflects a rise in vegetable oil import needs. Domestic consumption of vegetable oil during 1984/85 is estimated at 318,000 tons, compared with 252,000 the previous year.

Yugoslavia's allocation for soybean imports was lowered to \$30 million, however. Imports of soybeans are forecast at 250,000 tons, down from 280,000 tons in 1983/84 mainly due to an estimated increase in 1985 oilseed production. The GSM-102 fiscal 1985 allocation for oilseed and protein meal imports totals \$50 million.

COTTON AND FIBERS

ARGENTINA has announced the reduction of export taxes for raw cotton and cotton yarn. The tax on raw cotton was reduced from 16 percent to 6 percent ad valorem, and the cotton yarn tax was suspended. The action, which is aimed at making Argentine products more price competitive in international markets, will be in effect for 180 days. A 6-percent export subsidy also was established for cotton fabrics.

TOBACCO

JAPANESE sales of cigarettes for calendar 1984 were up 0.2 percent to 312.5 billion pieces, according to the Japan Tobacco and Salt Public Corporation. Domestic cigarettes, which represented 98 percent of sales, were down 0.1 percent. The volume of imported cigarettes increased 16 percent to 6.4 billion pieces, representing 2 percent of the market. U.S. cigarettes accounted for 96 percent of imports.

SEEDS

U.S. exports of sorghum seed to VENEZUELA totaled 4,764 tons during July-December 1984, 22 percent above a year earlier and 3 percent above the July 1983-June 1984 marketing year. Industry reports from Venezuela indicate import needs of 6,000 tons for calendar 1985. The recent removal of nontariff barriers have helped to increase U.S. sales, which were cut by 50 percent during the 1982/83 marketing year.

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Selected International Prices

| Item | | Feb. 26, 1985 | Change from previous week | A year ago |
|------------------------------------|---------|---------------|------------------------------|---------------|
| ROTTERDAM PRICES 1/ | | \$ per MT | \$ per bu. | \$ per MT |
| Wheat: | | | | |
| Canadian No. 1 CWRS-13.5%.9/ | 184.50 | 5.02 | -.75 | 193.00 |
| U.S. No. 2 DNS/NS: 14%.... | 180.00 | 4.90 | -2.00 | 192.50 |
| U.S. No. 2 S.R.W. | 157.50 | 4.29 | -2.50 | 152.00 |
| U.S. No. 3 H.A.D.....9/ | 179.50 | 4.89 | -2.50 | 188.00 |
| Canadian No. 1 A: Durum.9/ | 193.00 | 5.25 | -.50 | 200.00 |
| Feed grains: | | | | |
| U.S. No. 3 Yellow Corn.... | 130.50 | 3.31 | -4.00 | 152.00 |
| Soybeans and meal: | | | | |
| U.S. No. 2 Yellow..... | 232.00 | 6.31 | -4.00 | 299.40 |
| Brazil 47/48% SoyaPellets 4/ | 143.00 | -- | -11.00 | 237.00 |
| U.S. 44% Soybean Meal.... | 139.00 | -- | -11.00 | 221.50 |
| U.S. FARM PRICES 3/ | | | | |
| Wheat..... | 123.08 | 3.35 | -1.10 | 120.51 |
| Barley..... | 79.92 | 1.74 | -5.05 | 97.83 |
| Corn..... | 101.18 | 2.57 | -1.18 | 120.87 |
| Sorghum..... | 92.81 | 4.21 2/ | -.66 | 104.06 |
| Broilers 4/..... | 1103.18 | -- | -74.96 | 1352.08 |
| EC IMPORT LEVIES | | | | |
| Wheat 5/..... | 42.30 | 1.15 | -5.85 | 88.10 |
| Barley..... | 45.20 | .98 | -5.15 | 70.35 |
| Corn..... | 42.35 | 1.08 | -2.30 | 59.45 |
| Sorghum..... | 43.35 | 1.10 | -2.45 | 71.50 |
| Broilers 4/ 6/ 8/..... | 144.00 | -- | -5.00 | 172.00 |
| EC INTERVENTION PRICES 7/ | | | | |
| Common wheat(feed quality) | 131.90 | 3.59 | -4.00 | 179.85 |
| Bread wheat (min. quality)7/ | 140.35 | 3.82 | -4.20 | 196.10 |
| Barley and all | | | | |
| other feed grains..... | 131.90 | -- | -4.00 | 179.85 |
| Broilers 4/ 6/..... | 978.00 | -- | -4.00 | 1218.00 |
| EC EXPORT RESTITUTIONS (subsidies) | | | | |
| Wheat | 12.60 | .35 | -- | N.A. |
| Barley..... | 26.60 | .58 | -- | 41.45 |
| Broilers 4/ 6/ 8/..... | 85.00 | -- | -3.00 | 136.00 |

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ April-May.
N.A.=None authorized. N.Q.=Not quoted. Note: Basis March delivery.

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